

**To the Mayor and Members of the City Council**

**August 2, 2016**

Page 1 of 4



**SUBJECT: MAY 2016 – SALES TAX UPDATE**

Sales tax revenue represents approximately twenty-two percent (22%) of the City’s General Fund anticipated revenue in Fiscal Year 2016. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important and sometimes volatile revenue source. The Texas Comptroller’s Office posted May 2016 (Fiscal Year 2016, Period 8) collection results on July 13<sup>th</sup>. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers’ returns. This report provides Fort Worth’s sales tax collection compared to last year and the impact on the current year’s budget.

**MAY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)**



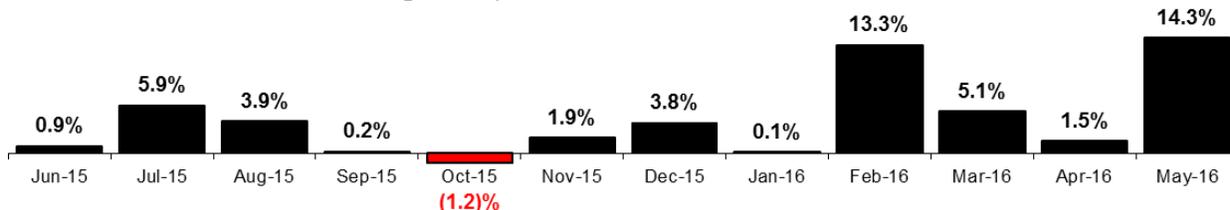
The City’s net sales tax collection is up **\$1,378,571** or **14.4%**, compared to the same month last year. As depicted in the table below, the City experienced **\$1,381,751** or a **14.3%** increase when compared to last year’s collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

**COLLECTION DETAIL FOR CITY SALES TAX**

| Collection Detail for City Sales Tax |                    |                     |                    |                |
|--------------------------------------|--------------------|---------------------|--------------------|----------------|
|                                      | May 15             | May 16              | Variance (\$)      | Variance (%)   |
| <b>Current Period Collections</b>    | \$9,676,829        | \$11,058,579        | \$1,381,751        | 14.3% ↑        |
| Other Collections                    | 94,336             | 135,122             | 40,786             | 43.2%          |
| Audit Collections                    | 10,128             | 21,896              | 11,768             | 116.2%         |
| Service Fee                          | (195,626)          | (224,312)           | (28,686)           | (14.7%)        |
| Retainage                            | 13,266             | (13,782)            | (27,047)           | (203.9%)       |
| <b>Net Collections</b>               | <b>\$9,598,933</b> | <b>\$10,977,504</b> | <b>\$1,378,571</b> | <b>14.4%</b> ↑ |

**CURRENT PERIOD COLLECTIONS**

Change Compared to Same Month in Prior Year





**To the Mayor and Members of the City Council**

**August 2, 2016**

Page 2 of 4

**SUBJECT: MAY 2016 – SALES TAX UPDATE**

The City's Sales Tax collections year-to-date are around ±1% of the budget year-to-date, and are slightly higher than 3% of the year-to-date total for the same period last year.

**CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON**

| CITY OF FORT WORTH                    | Budget as of<br>Period 8 | Current<br>Receipts<br>Through<br>Period 8 | FY2015<br>Receipts<br>Through<br>Period 8 |
|---------------------------------------|--------------------------|--|---|
| GENERAL FUND                          | \$88,197,467             | \$89,487,856                               | \$86,468,288                              |
| CRIME CONTROL AND PREVENTION DISTRICT | 42,316,026               | 42,275,475                                 | 40,545,455                                |
| <b>TOTAL</b>                          | <b>\$130,513,493</b>     | <b>\$131,763,331</b>                       | <b>\$127,013,743</b>                      |

**CITY OF FORT WORTH FISCAL YEAR COMPARISON – FY2016**

| CITY OF FORT WORTH                    | Adopted<br>Budget | Amended<br>Budget | Fiscal Year<br>Projections | Projected<br>Variance to<br>Amended<br>(%) |
|---------------------------------------|-------------------|-------------------|----------------------------|--|
| GENERAL FUND                          | \$135,065,427     | \$135,065,427     | \$135,065,427              | 0.0%                                       |
| CRIME CONTROL AND PREVENTION DISTRICT | \$64,802,679      | \$64,802,679      | \$64,802,679               | 0.0%                                       |
| FORT WORTH TRANSPORTATION AUTHORITY   | \$67,857,000      | \$67,857,000      | \$67,857,000               | 0.0%                                       |

The City anticipates collecting **\$135,065,427** in the General Fund and **\$64,802,679** in the Crime Control and Prevention District Fund by fiscal year end, which matches original estimates in the FY2016 adopted budget.

(Intentionally left blank)

**To the Mayor and Members of the City Council**

**August 2, 2016**

Page 3 of 4



**SUBJECT: MAY 2016 – SALES TAX UPDATE**

The chart below indicates how current year sales tax collections in Fort Worth and other select cities in the state compare to FY2016 collections for the same period.

**CITIES COMPARISON  
FY2016 vs. FY2015**

| <b>City</b>        | <b>1st Quarter</b> | <b>2nd Quarter</b> | <b>May</b>    | <b>YTD</b>    |
|--------------------|--------------------|--------------------|---------------|---------------|
| GARLAND            | 5.7%               | 33.2%              | 16.5%         | 17.6%         |
| GRAND PRAIRIE      | 6.7%               | 13.7%              | 11.5%         | 9.2%          |
| MCKINNEY           | 6.4%               | 4.0%               | 8.4%          | 5.9%          |
| AUSTIN             | 4.3%               | 4.6%               | 4.5%          | 4.8%          |
| DALLAS             | 2.2%               | 5.1%               | 7.4%          | 3.7%          |
| <b>FORT WORTH</b>  | <b>2.0%</b>        | <b>2.7%</b>        | <b>14.4%</b>  | <b>3.5%</b>   |
| ARLINGTON          | 3.7%               | 4.2%               | 6.3%          | 3.5%          |
| EL PASO            | 0.3%               | 3.2%               | 2.8%          | 2.2%          |
| IRVING             | 1.8%               | (6.4%)             | 11.4%         | 1.8%          |
| SAN ANTONIO        | 2.6%               | 2.1%               | 4.0%          | 1.8%          |
| PLANO              | (3.5%)             | (4.0%)             | 4.6%          | (2.4%)        |
| HOUSTON            | (5.7%)             | (4.8%)             | (4.6%)        | (4.8%)        |
| FRISCO             | (6.2%)             | (2.6%)             | 1.8%          | (5.0%)        |
| <b>STATE TOTAL</b> | <b>(3.3%)</b>      | <b>(3.1%)</b>      | <b>(7.1%)</b> | <b>(3.0%)</b> |

(Intentionally left blank)

**To the Mayor and Members of the City Council**

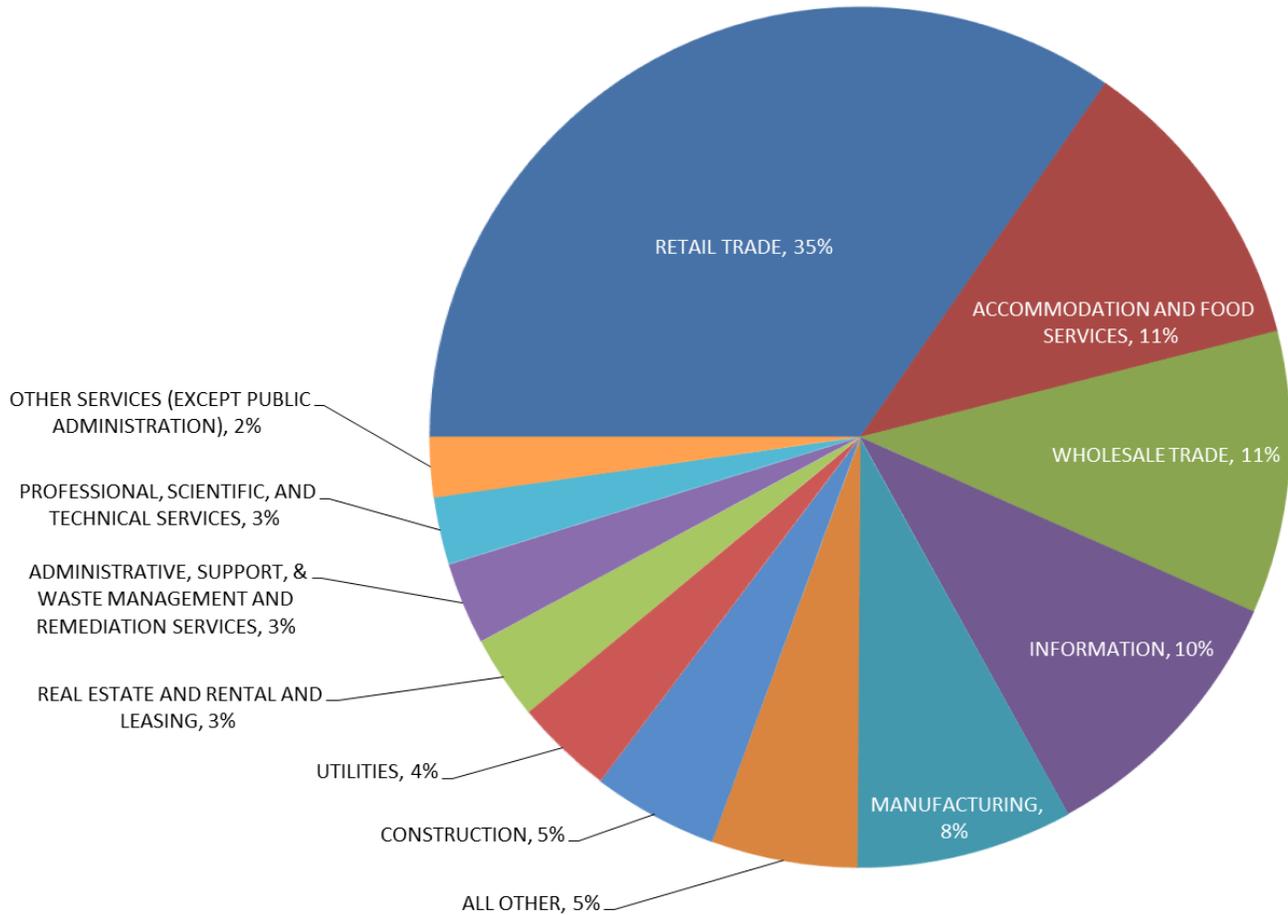
**August 2, 2016**

Page 4 of 4



**SUBJECT: MAY 2016 – SALES TAX UPDATE**

**SALES TAX REVENUE BY INDUSTRY THROUGH PERIOD 7**



There are five industries that comprise the largest portion (75%) of the City’s sales tax revenue in FY2016 through period 7. The reporting by industry is released later and period 8 data is currently not available.

Budget staff is currently preparing comparative historical trend analysis. This information will be shared in future sales tax update IR’s.

If you have any questions, please call Terry Hanson, Assistant Director of Budget and Analysis, at 817-392-7934.

**David Cooke**  
**City Manager**